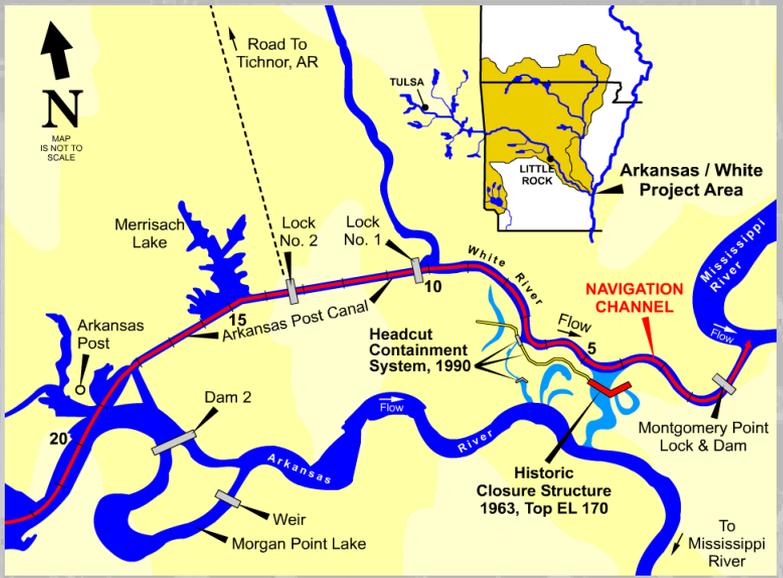


MKARNS THREE RIVERS

INLAND WATERWAYS USERS BOARD MEETING NO. 100

Jonathan Gillip
Project Manager
U.S. Army Corps of Engineers
Little Rock District (SWL)
20 July 2023



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MKARNS THREE RIVERS - OVERVIEW



Authorization: Section 1401 of America’s Water Infrastructure Act of 2018.

- Authorized Cost: \$184,395,000; FY23 Escalated Cost \$242,611,000

Purpose/Description: The purpose of the project is to preserve navigation on the McClellan-Kerr Arkansas River Navigation System (MKARNS). Overland flows have caused significant erosion and head cutting to the land between the Arkansas and White Rivers, threatening the uncontrolled connection of the rivers which would result in the loss of the navigation pool.

Schedule:

Phase 1 Construction Completion scheduled for September 2026.

Post Authorization Change Report scheduled to be completed in March 2024.

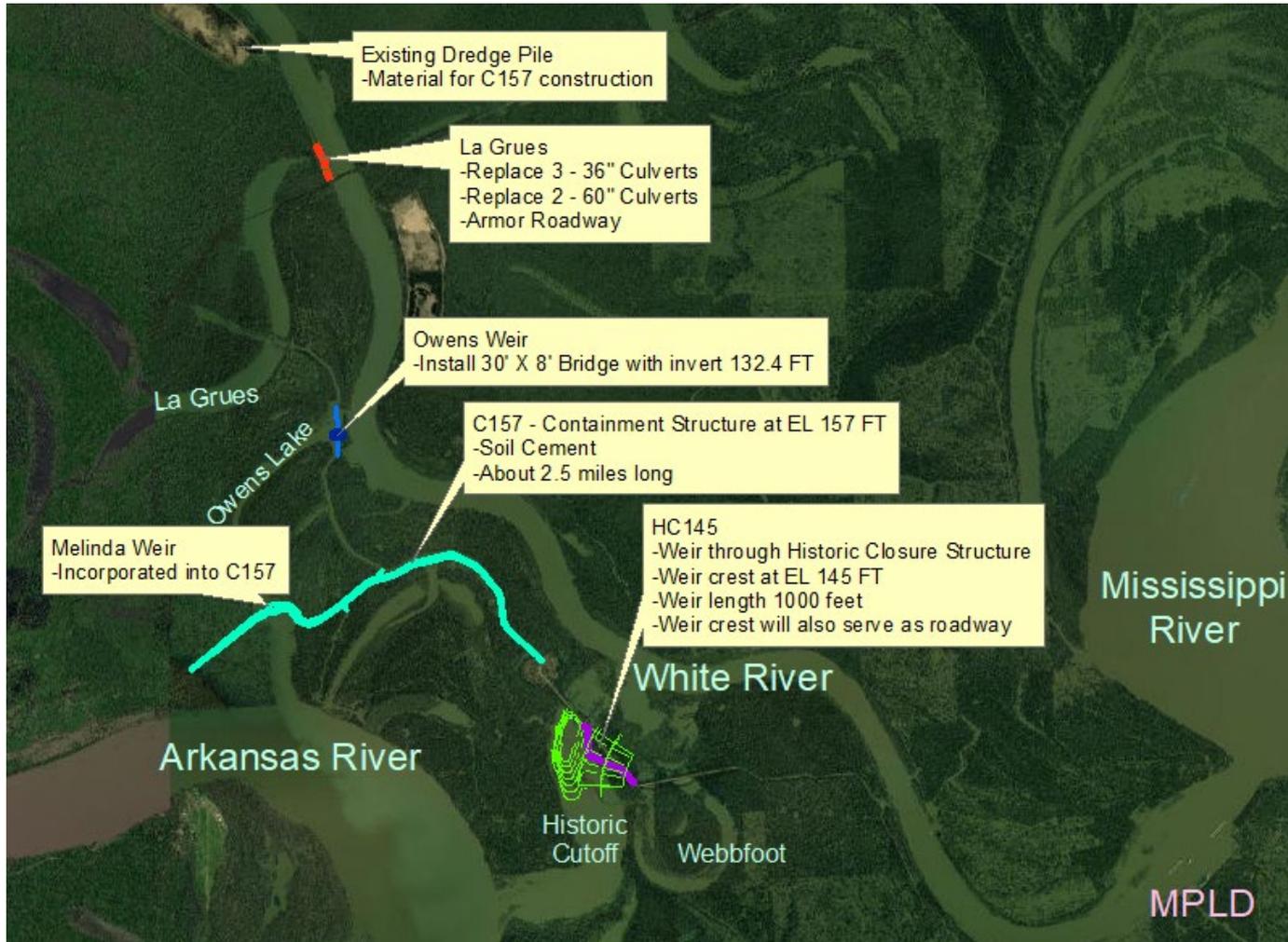
Phase 2 Contract is delayed due to substantial cost increase.

Cost: December 2022 Certified Cost Estimate Fully Funded Cost: \$355,681,000

902 Limit: \$279,490,000



MKARNS THREE RIVERS - SCOPE



- Phase 1: Design Build Construction of a Hydraulic Weir at elevation 145 feet above MSL (HC145) at the location of the Historic Closure Structure.
- Phase 2: Design Bid Build Construction of a Hydraulic Containment Structure at elevation 157 feet above MSL (C157), the Modification of the Owens Weir, and the Modification of LaGrues Culverts.



MKARNS THREE RIVERS – BLUF STATUS / DASHBOARD



PROJECT SAFETY



Construction has not begun. No safety issues during data collection for design.



PROJECT STATUS SUMMARY

<i>Schedule:</i>	<i>Original</i>	<i>Last</i>	<i>Current</i>
Operational ¹	Jun-25	Sep-26	Sep-26
Completion	Jun-26	TBD	TBD
<i>Next Major Contract Award:</i>			
Phase 2 contract award			TBD

FINANCIAL STATUS SUMMARY



Increased Authorization and funds are needed to award Phase 2. PACR and CCB in process.

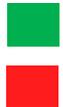
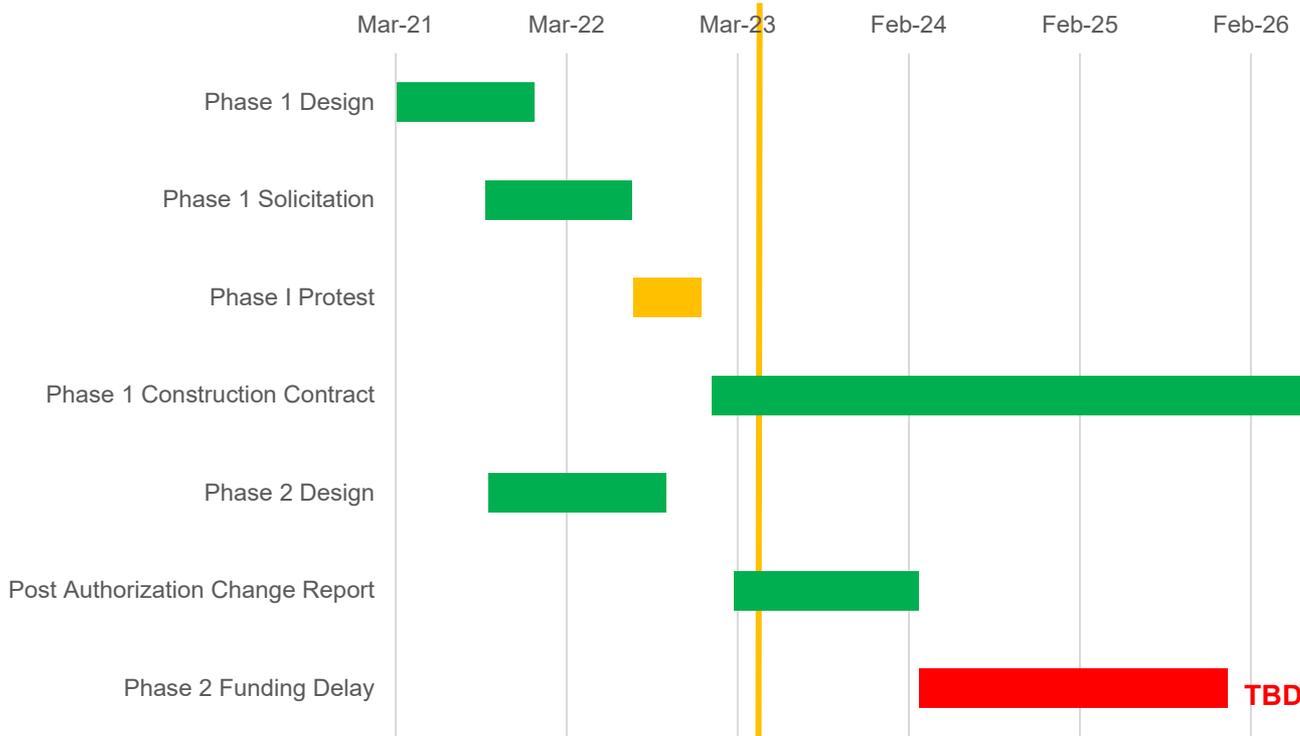
¹“Operational” is considered the completion of Phase 1, full project benefits will not be realized until the completion of Phase 2.

EXECUTIVE SUMMARY:

- Phase 1 Design Build Construction contract was awarded 19 Jul 22, delayed by protest.
- NTP 5 Jan 2023.
 - Although delay was approximately 5 months, the contractor lost a dry season.
 - Phase 1 design is at 65% level.
 - Groundbreaking anticipated August 2023 for coffer dam and mooring area.
- Certified Cost Estimate (CCE) for Phase 2 was updated December 2022.
 - Phase 1 contract value was \$175,850,000
 - Updated CCE is \$355,681,000 (exceeds authorization)
 - Post Authorization Change Report and Change Control Board are in process.
 - Phase 2 delayed pending additional authorization and receipt of additional funds.



MKARNS THREE RIVERS – SCHEDULE & FUNDING



Funded Work

Unfunded Work, includes contract, contingency, and labor (note: capabilities exceed current 902 limit)

WE ARE HERE

TBD

Schedule comments:

- Phase 1 Contract Award 19 Jul 22, Protested 22 Jul 22, Protest withdrawn 13 Dec 22
- Phase 1 NTP 05 Jan 23, Phase 1 Construction Contract scheduled completion 30 Sep 2026.
- Post Authorization Change Report (PACR) and Change Control board in process, anticipate PACR completion Mar 24.
- Phase 2 Design Recertification, Solicitation, and Construction is expected to take approximately 4.5 years.



MKARNS THREE RIVERS – FUNDING SUMMARY



Allocations:	INV (\$M)	CG (\$M)	IWTF (\$M)	BIL (\$M)	Total (\$M)
Through FY21	\$12.47				\$12.47
FY22		\$96.85	\$52.15	\$109.15	\$258.15
FY23		(\$4.36) ³	\$4.36 ³		\$0
Total to Date	\$12.47	\$96.85	\$52.15	\$109.15	\$270.62
Remaining TPC Balance					\$91.42 ²

Notes:

¹\$6.68M of INV funding to be returned due to award of construction contract.

²Based on updated FY23 Certified Cost Estimate (Dec 22), \$103.17M in FY24 funds, \$115.44M in FY25 funds.

³Funding swap to account for PED cost share.

Total Project Cost (TPC)	\$355.68M ¹	2023
Authorized Cost:	\$184.4M	WRDA 2018
Escalated Cost:	\$232.79M	2023
902 Limit:	\$279.49M	2023
PED Cost:	\$14.55M ¹	2023
EDC Cost:	\$13.13M ¹	2023
S&A Cost:	\$23.79M ¹	2023

Notes:

¹From Updated Certified Cost Estimate (Dec 22)

Fiscal Year Funding Capabilities: add additional years if required

FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	TOTAL
\$103.17	TBD	TBD								

Commentary:

- Updated Certified Cost Estimate Received Dec 2022
- Post Authorization Change Report in progress, scheduled completion March 2024
- Total Project First Costs BCR 2.1, Remaining Costs BCR 4.5 (May 2023).



MKARNS THREE RIVERS – ISSUES/CHALLENGES



- Phase 1 Contract Award of \$175,850,000 was higher than estimated.
 - Updated Certified Cost Estimate (Dec 22) indicates total project cost exceeds 902 limit.
 - Post Authorization Change Report and Change Control Board in progress.
- Protest of Phase 1 Contract Award delayed project 5 months
 - Lost a dry season.
 - Protest has caused schedule and cost impacts on Phase 1 Contract.
- Challenging Site Conditions



THANK YOU

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